

March 08, 2021

Clarke County Board of Supervisors
Budget Work Session Meeting
Main Meeting Room

6:30 pm

At a Budget Work Session of the Board of Supervisors of Clarke County, Virginia, held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia, conducted on Monday, March 08, 2021, at 6:30 pm.

Board Members

Present Afternoon Session: Matthew E. Bass – Berryville District; Doug Lawrence – Russell District; David S. Weiss – Buckmarsh / Blue Ridge District; Terri T. Catlett - Millwood / Pine Grove District; Bev B. McKay – White Post District

Absent Afternoon Session: None

County Staff Present

Brenda Bennett, Chris Boies, Cathy Kuehner

Constitutional / State Offices / Other Agencies

Superintendent Dr. Chuck Bishop, Sheriff Anthony 'Tony' Roper, Monica Singh-Smith, Katie Kerr-Hobert, Zara Ryan, Charles "Chip" Schutte, Jon Turkel

Press

Mickey Powell

Others Present

Few citizens

Call to Order

Chair Weiss called the Budget Work Session to order at 6:30 pm.

1) School Board Presentation

School Board Chair Monica Singh-Smith read the following statement:

"Mr. Chairman and fellow Board members, thank you for your time tonight as we present the adopted School Board Budget for the 2021-2022 school year. As I thought about my opening remarks, it was hard not to reflect on this past year; whoever thought our County and School Division would have to operate and navigate through the unprecedented times of the pandemic faced with challenges never expected the School Board remained steadfast in the mission and core values outlined in our division's strategic plan.

In a couple of weeks, it will have been one (1) year since our school division had to change the trajectory of our instructor delivery model without much preparation. We did the best that we could, as did most Counties, to get through the last quarter with the hopes that we would go back to normal by the start of the new school year. Unfortunately, we could not find our magic ball so Dr. Bishop and his team worked diligently all summer strategizing, organizing, and planning so that we would be better prepared to handle the logistics of virtual instruction if needed. Clearly, that was the direction in which we were headed, and ultimately the School Board decided to start the school year with 100% virtual instruction. We did not make this decision lightly, and this was a highly passionate topic within the community and for our staff.

Frankly, whatever our decision, someone was going to be unhappy. I know that there is a perception in the community that we did not do enough or that we did not make the right decision. I know there is a perception in the community that teachers were not doing anything since we were not in the classroom. We have had to defend our teachers and administrators in a way we have never had to before. I know they miss their students in their classroom community. Being concerned about their health for themselves and loved ones was in direct conflict with wanting to be in the classroom with their students. They were publically shamed for having these concerns, but when the time came in early November to return to in-person instruction, they showed up having faith that the school division's health protocols and safety measures would mitigate the transmission of COVID-19 within the school buildings.

We have been quite successful with keeping our students in school, as well as actively engaged in athletics. Thankfully, a majority of our teachers took advantage of the vaccine clinics in February, and now I am happy to say that we will be going to four (4) days a week in-person instruction for all of the hybrid students later this month. For the upcoming school year, we have tough decisions to make. It is no

secret that there is a decline in student enrollment, while that does not change the needs of the school division as a whole. Eventually, it will affect various resources.

This reality puts us in a precarious place; how do we maintain our current resources as we address new demands for remediation and support to make up for the loss of in-person instruction this year. There is no straightforward answer or solution, but we cannot afford to cut these resources we will so badly need. Our most valuable resource is our teachers; the school board has made it very clear that our goal is to stay competitive with our neighboring Counties. I appreciate this budget cycle is vastly different from the years past, but we continue to feel strongly that in order to attract, develop, and retain employees, it is imperative that we work diligently to close the salary gap. Increased pay can have a direct impact on improved teacher retention, gains in student performance and can improve a school's chance of hiring teachers who earned high scores on their teacher certification exams. A working paper from the National Bureau of Economic Research released in 2019 offers new evidence that the school districts that raise salaries, those teachers, in turn, will increase their efforts in the classroom. For this study, the researcher determined teacher's effectiveness based on a change in their student's test scores. Our budget request includes a 5% salary increase for our teachers; however, it is our goal for the upcoming year to address the real issue regarding teacher pay, which is the salary scale itself. Every year our salary scale consistently falls behind while our increases help gets us closer to Winchester and Frederick; they continue to give raises, and once again, Clarke is left chasing them year after year.

It is our responsibility and a top priority to ensure we address our salary scale this upcoming year and compensate our teachers in a way that allows the division to retain and recruit the best teachers, which ultimately affects student achievement. I know the success of our students is just as important to you as it is to us in our Clarke families. The School Board, as always, values the positive and cooperative relationship that we have with the Board of Supervisors. I know we will continue to work together towards our common goals of encouraging, inspiring, and empowering our kids to be the best versions of themselves."

Superintendent Dr. Chuck Bishop stated that this time last year, I presented and the proposed school budget, and then within five (5) days, the schools had to close; believes that this will not happen this year since the numbers are turning in the right direction to get some normalcy back into our communities. Reiterated School Board Chair Monica Singh-Smith, that last year, on March 13, the schools had to pivot very quickly. The change was interesting in some ways and difficult in many ways; stand before you tonight stating that we have it covered better than anyone

else has, that does not mean that we did not have issues. We have had issues; the biggest is that many people in the community do not have internet access, so we have had to figure out ways to get those students access to the curriculum. We have teachers without internet access, and we had to find ways to allow them to work, especially when the High School and Middle School were fully remote at the start of the year, not coming into in-person class until November. The jobs of the teachers and food service workers have been much different this year. For citizens to think or believe that teachers have not worked hard is false; in some ways, teachers have worked harder this year because it has been different, confirmed that the teachers have not worked any less, just because students have not been fully in classrooms. The kind of work is just different; no one was trained to deliver a Biology classroom with ten (10) kids sitting in their class and more kids watching on a computer. Our staff met the challenge. The following presentation was adopted by the School Board a couple of weeks ago; no School Board member or I believe that this is done deal, and this is only presented as the adopted budget by the School Board. Certainly, the Board of Supervisors has the final decision.

Dr. Chuck Bishop presented the slides that were included in the packet; he put forth the following key points:

- Enrollment data for the K-12 fall membership trend plan projecting 1,713 students in Average Daily Membership (ADM). The ADM drives schools; it is the number of student membership in K-12. The first count begins at the end of September, and the last count ends at the end of March.
- In the month of February, something happened that has never happened in the seven (7) years I have been Superintendent here; Clarke County had fourteen (14) new students. Ten (10) of those students transferred from other school divisions, two (2) transferred from out of state, and two (2) transferred from a homeschool environment. Believe the reasoning is the real estate rates and the new subdivision that is building and selling quickly.
- Anticipating 1,713 students, which is an increase from this year at this time. There were 104 students that we have anticipated having this year, but parents choose other options because of the COVID-19 situation.
- For ADM, it is obvious that our student enrollment has declined; in 2009-2010, we had 2,141 students.
- In the last seven (7) years, the High School has maintained a consistent enrollment. There were 774 students in 2009-2010 and 664 students currently, so a loss of 110 students in the last ten (10) years.

- Boyce Elementary School is the outlier that has declined significantly over the last few years. In 2009-2010 there were 355 students, last year 275 students, and currently 246 students.
- D.G. Cooley, over the last ten (10) years, lost 149 students; currently at 410 students, last year had 466 students.
- Johnson Williams Middle School ten (10) years ago was at 501 students, 421 students currently, and last year 483 students.
- For the homeschool population, we had seen a decline in the number of homeschool students in the community. Believe it is because some entered our schools and secondly there are fewer school-aged children in the community. Added that this year did see an increase to nearly 250 students due to COVID-19.
- The religious exemptions have been relatively stable in the last seven (7) years.
- Special Education (504 Plan) currently at approximately 13% of the population who receive special education services, which is the State average.
- Disadvantage enrollment (qualify for free/reduced meals) has increased over the last few years, currently at 27% compared to 2008-2009 at 16%.
- English language learner population over the last four (4) years has seen a spike; the number of students identified is currently 82 students. Out of those, 59 students receive services.
- Pupil-teacher ratio, Clarke County numbers for 2018-2019 K-7 was 12.27:1; the State average was 12.98:1. For grades 8– 12 was 11.94:1, and the State average was 12.53:1. Explained that principals and guidance counselors are included in the ratio count. Noted that if you have a high need special education classroom, where you may have two (2) students and a teacher or four (4) students and a teacher, there is a low number in that classroom which also is included in the student-teacher ratio. Overall, Clarke is a little less than the State average. Further explained that small school divisions are often hard to staff, gave the example that for Boyce Elementary, over the years has changed; for a Kindergarten class of 42 students had three (3) teachers, then same size class but only had two (2) teachers; therefore, went from 14:1 to 20:1.
- The on-time graduation rate remains one of the highest in the State, just shy of 98% this year.
- Composite Index: over the last seven (7) years, each time the composite index changed, it has not been in Clarke's favor. Will find out again in November

what the new composite index is, going into the bi-annual budget beginning next January. Our composite index is .5729, which puts us above Frederick County, Loudoun County, and Winchester City. Explained that the .5729 means that the County is responsible for every 57¢ on the dollar.

- Budget Development Data:
 - Based on ADM of 1,713 students plus 40 PK students.
 - All line items have been reviewed for accuracy in predicting FY22 expenses.
 - Central Administration received requests for several new positions from building administration.
 - Intervention Specialists are the primary request; personnel who would be working with students who have academic achievement gaps in primarily math and reading.
- Budget Development Factors:
 - Conducted salary comparison between Winchester, Frederick, and Clarke.
 - Budget recommendations are in alignment with both the Community Budget Survey and the current CCPS Strategic Plan.
 - School-based funding is allocated using a per school and/or per-pupil basis.
 - Parent survey of new homeschool, private school, differed Kindergarten enrollment. Received responses for 47 of the 104 students; 35 were returning, seven (7) were undecided, and five (5) were not returning.
- Community Budget Survey had 321 responses; top twelve (12) as follows:
 1. Employee Compensation
 2. CTE Programming
 3. Student-Teacher Ratios
 4. Advanced Academic Offerings
 5. Instructional Material/Supplies
 6. Technology Upgrades
 7. Fine Arts
 8. Reducing Health Insurance Premiums
 9. Remedial Programs
 10. Athletics
 11. Professional Development
 12. Bus Replacements
- CCPS Strategic Plan five primary goals are as follows:

1. We will continue to improve student achievement to prepare students for post-secondary education, career readiness, and opportunities to realize their fullest potential in life.
 2. We will enact a safe and nurturing climate for learning and working that maximizes student achievement and promotes human development.
 3. We will employ personnel who share the vision, mission, and core values of the school division and demonstrate foundational skills in critical thinking, collaboration, creative thinking, communication, and citizenship.
 4. We will increase the integration of technology use and application to enhance and transform the learning of all students and all personnel.
 5. We will implement effective and efficient operational practices throughout the school division.
- School-based allocation methodology:
 - Office of the Principal is \$11/student projected ADM.
 - Instructional Materials:
 - Elementary \$3,500 per school + \$28/student projected ADM.
 - Middle and High \$3,500 per school + \$33/students projected ADM.
 - Instructional Supplies \$3,500 per school + \$10/student projected ADM.
 - Classroom Instruction Tech:
 - Elementary \$13/student projected ADM.
 - Middle and High \$16/student projected ADM
 - Guidance \$3/student projected ADM for supplies and \$2/student projected ADM for materials.
 - Media Materials \$2,400 per school + \$12/student projected ADM.
 - Media Supplies \$7/student projected ADM.

Operating Budget Factors FY15-FY21

Fiscal Year	Salary Increase/ \$ Amount	Health Ins Increase/ \$ Amount	Clarke County Local Transfer Increase
FY21	Teacher Step Increase December Bonus	No Increase	(\$203,844)
FY20	4%/3% / ~\$650,000	3.4% / \$119,716	\$215,306
FY19	2.5% / \$442,172	14% / \$224,710	\$690,018
FY18	3.0% / \$479,421	-3.0% / (\$57,723)	\$135,167
FY17	3.0% / \$395,763	8.1% / \$122,981	\$550,397
FY16	1.5% / \$237,679	10% / \$133,362	\$28,006
FY15	2.0% / \$300,000	6.3% / \$127,008	\$811,681

- Salary and Health Insurance main drivers of the operating budget.
- The FY21 salary increase was a teacher step increase and a December Bonus, no increase in health insurance, and took \$203,844 less based on the budget as it was adopted, not as it sits today because of all of the CARES allocations.
- Teacher Salary Notes:
 - Virginia ranked 33th in average teacher salary in 2018-2019 at \$53,267 compared to a national average of \$62,304.
 - In Virginia, the estimated average teacher salary in 2019-2020 is \$53,933 compared to a national average of \$63,645.
 - In 2019, Virginia ranked 10th in median household income and as the ninth wealthiest State.
- Commonwealth of Virginia and salary increase
 - The Governor's proposed budget included a 2% bonus for school employees.
 - The Governor announced additional state revenue, and the 2% bonus would be converted to a 2% salary increase.
 - The House budget included a pay increase of 5%. Governor Northam announced support for a 5% increase.
 - Senate budget included a pay increase of 3%.
 - House and Senate Budget Committees included a 5% increase.
 - All compensation supplement funds received from the Commonwealth are for SoQ funded positions only and are offset by the Local Composite Index.
 - Gave the example that per SoQ, funded positions can have 24 kindergarten students in a classroom. If there are 96 Kindergarten total in Clarke County, we would get partial State funding for an extra four teachers. If we would like less than 24 students in the Kindergarten classrooms, adding a fifth teacher, the locality has to pay for that fifth teacher at 100% of the cost. So, even when the funds for the raises are distributed from the State, it is for those SoQ funded positions, and then the Composite Index kicks in, so basically get 0.43¢ per that dollar increase. Out of the \$800K increase, only receive approximately \$250K in revenue.
 - Supervisor Lawrence stated that it would be good to counter the increase since it truly is not a State-funded 5% increase.

- Dr. Chuck Bishop expressed that a 1% increase for all in the school division is \$161K, so the States share barely funds 1% of the intended raise.
- FY22 proposed Bachelor's scale:
 - Superintendent's Proposed Budget:
 - The scale contains 33 steps
 - Starting salary of \$44,000.
 - Provides a 5% pay increase for employees
 - School Board Member Input:
 - Differentiate pay increases, using the funds to get more money to our classroom teachers.
- Explained that some of the Administrative Staff are included as instructional personnel, so if you do anything less than 5% then you reduce the amount of revenue that is received.
- Vice-Chair McKay asked, and Dr. Chuck Bishop confirmed that for new personnel with a Master's, the starting salary would be \$44,000 plus the \$4,250 stipend. Further explained that 62% of the teachers in Clarke have a Master's Degree.
- Major Operating Budget Changes:
 - Salaries and wages – 5% increase \$809,715
 - Employee Health Insurance Adjustment – 10% \$185,643
 - Chris Boies, Brenda Bennett, and I have worked diligently with the Health Insurance Group and believe that there will be no increase this year; therefore, the \$185,643 can be removed.
 - Total - \$995,358
- Food Service Funds:
 - Stand-alone account
 - Sodexo manages the program.
 - Line items have been adjusted to account for program expenditures.
 - Total expenditures and revenue - \$800,996.
 - Decrease of \$41,654 from the FY21 Adopted Budget.
 - This year was different because the USDA granted the school the authority to provide meals to anyone 18 years or younger in the community, with reimbursement from the United States Department of Agriculture. Anticipates this will expire at the end of June unless there is authorization beyond the end of the fiscal year.

- Capital Projects Fund:
 - Allows the school division to address both planned and unplanned capital expenses.
 - Longstanding precedent to allow a year-end fund balance to be requested for capital expenditures.
 - The operating fund balance from FY20 was \$682,000. School Board did not request operating carryover to FY21 capital.
 - Capital Request - \$616,000
 - Capital Revenue – (\$154,00)
 - Total Capital Request - \$462,000.
 - This year we are in the process of taking care of a list of items that have been on the list for a number of years and are a priority.
 - We already have quotes for the tennis courts at Johnson Williams Middle School, and those will be completed by June 30, 2021. Fencing the entire court, re-doing the courts, having two (2) be tennis courts and one (1) a pickleball court.
 - The \$154K technology bond has to be used for certain expenses that support the State Testing program.
 - The total increase to the FY22 proposed request is a \$99,000 increase over the funded request in FY21.
- Proposed initiatives for FY22
 - No new personnel was requested in the FY22 budget.
 - Some positions may be reintroduced to support student intervention.
 - Purchase new Science textbooks and materials across the division.
 - Focus on addressing student mental health and academic needs resulting from the pandemic. Had some students who are enrolled in school but have not been in the school since March 13, 2020, so we do not know what academic and other needs they will need.
 - Support division initiative to implement Standards-Based Grading K-12.
 - Improve salaries and benefits for employees.
 - Improve efficiency in operations.
 - Staffing Reductions: due to reorganization, declining enrollment, etc., if enrollment increases this upcoming year, the teaching staff will have to be filled again, but the other staff will not.

- Vacancies in FY21: Receptionists, 5 Instructional Assistants, Middle School & High School Elected Teachers, Elementary School, three (3) Intensive Behavior Program (IBP) Teachers, Grant Funded Tutor.
- FY21 Retirements: Administrator, High School Teacher
- Reorganization of SPED Department Staff: Confident Learner Model (CLM) Coach.
- Revenues are supposed to be up by \$422,846.
- School operating fund is a total increase of \$471,859 and capital fund increase of \$99,000.
- Update from this morning was that the school operating fund variance between the adopted FY21 and the proposed FY22 is \$709,062, the school operating fund moves back up to the expense side, does include the reduction of the \$185,643 on the 10% health insurance increase. On the revenue side, \$472,846 did a conservative estimate that the revenue from the State for the 5% would go \$50,000 more than the original calculation. For the local side, the school operating fund is \$236,216 and the capital fund \$99,000, for a total of \$334,478.
- In December 2020, the Board of Supervisors approved a \$500/\$1000 bonus for all school employees from funds set aside last spring. The one-time bonus was appreciated by all of the staff. The cost of the bonus was approximately \$320K, which is not included in revenue since it was a one-time expense, so if that \$320K would become part of the budget, then we are looking at less than a \$15K difference on the bottom line.
- Salary Increase alone is \$809,715, presented a budget that is roughly \$500,000 less than that, so we cut half a million from the budget for the coming year.

Vice-Chair McKay asked the following:

- What is in the budget to get students who have fallen behind back up to speed? Dr. Chuck Bishop stated that the schools are planning for a robust summer school program in the month of July, from July 5-30. A survey was sent to staff and had a good response from many, ranging from K-12, who might be interested in staffing summer school. Added that the next steps are the schools to identify students who need assistance and invitations sent to those families. Once the responses are received, figure out how many teachers from each level; Elementary, Middle, and High, that is needed. Further explained that the Intervention Specialists for Reading and Math; will have a large task ahead of them.

- Would there be an opportunity for families who believe their children need to attend summer school but do not get the invitation? Dr. Chuck Bishop confirmed that it would depend on the student attendance number to ensure that there is enough staff to accommodate.
- What is the State average teacher salaries with a Master's Degree? Dr. Chuck Bishop stated that he could get that information; he added that the salary scales presented tonight were only Bachelors' salaries, but if you have a large number of new teachers or experienced teachers with Master's, it could skew the average.
- Has the criteria for bus replacement been reviewed; adding that many times seems like the buses Clarke replaces goes to other schools and run forever. Dr. Chuck Bishop conveyed that the considerations for bus replacement is the age of the bus, and roughly ten (10) years ago, one of the bus manufacturers made buses with subpar engines, so phasing those buses out.

Supervisor Lawrence questioned the following:

- How many teachers are lost to surrounding localities? Dr. Chuck Bishop explained that this year during the pandemic, we did not lose teachers to other surrounding localities; in past years always lose teachers, and a majority transfer to Loudoun County.
- Has the ADM in other surrounding Counties declined? Dr. Chuck Bishop stated that ADM as a whole is down throughout the entire State, all related to the pandemic.

Supervisor Catlett asked the following:

- Why is the Capital the highest percentage in the budget at 27%? Dr. Chuck Bishop explained that there are two items that cause that percentage. The primary item is the HVAC continuing to be an issue around the division which includes the \$175,000 in repairs. He added that Joey Braithwaite, Director of Maintenance, has given amounts for two (2) water sourced heat pumps at Johnson Williams Middle School that make up \$60,000 of the \$175,000 total. The second piece is the technology, with 1,200 devices with students right now, not sure of the condition all of those devices will come back in, he added that there is a pass on cost if devices are damaged, but without knowing the condition they will be returned in, we want to be prepared. Further explained that BPSA funds could only be used on grade levels that are tested, gave the example that a second-grade level Chromebook that needs to be replaced would need to be funded by local money.

Supervisor Bass asked the following:

- The \$500K reduction was primarily from what items? Dr. Chuck Bishop communicated that the reduction was from personnel, the positions that were removed.
- In the new subdivision that is being built are families with school-aged children moving in. Dr. Chuck Bishop explained that the statistics from that are being gathered and analyzed, adding that we are working with the builder to get the new families to fill out a form to collect more information and get those students transitioned into Clarke. Supervisor Bass emphasized that it will be interesting to see if the new subdivision will bring those enrollment numbers back up to where it was ten (10) years ago.

Chair Weiss complimented the School Board, the Superintendent, and staff on all of the hard work. Expressed that the ability to feed all children throughout the year was great. Appreciate the work and the relationship between the County and the Schools.

Supervisor Catlett thanked the schools for getting the students back to in-person teaching with more hours in the classroom.

Adjournment

At 7:28 pm, Chair Weiss adjourned the meeting.

Next Regular Meeting Date

The next regular meeting of the Board of Supervisors is set for Tuesday, March 16, 2021, at 1:00 pm in the Berryville Clarke County Government Center, Main Meeting Room, 101 Chalmers Court, Berryville, Virginia.

ATTEST: March 8, 2021

David S. Weiss, Chair

Chris Boies, County Administrator

Transcribed by Brianna R. Taylor, Deputy Clerk to the Board of Supervisors